

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

MERRILL LYNCH INTERNATIONAL,

08 CV 2893

Plaintiff,

-against-

XL CAPITAL ASSURANCE INC. AND
XLCA ADMIN LLC, AS TRUSTEE FOR
PORTFOLIO CDS TRUST 138, PORTFOLIO
CDS TRUST 153, PORTFOLIO CDS TRUST
164, PORTFOLIO CDS 165, PORTFOLIO
CDS TRUST 170, PORTFOLIO CDS TRUST
172 AND PORTFOLIO CDS TRUST 186,

Defendants.

XL CAPITAL ASSURANCE INC. AND
XLCA ADMIN LLC, AS TRUSTEE FOR
PORTFOLIO CDS TRUST 138, PORTFOLIO
CDS TRUST 153, PORTFOLIO CDS TRUST
164, PORTFOLIO CDS 165, PORTFOLIO
CDS TRUST 170, PORTFOLIO CDS TRUST
172 AND PORTFOLIO CDS TRUST 186,

Counterclaimants,

-against-

MERRILL LYNCH INTERNATIONAL AND
MERRILL LYNCH & CO.,

Counterclaim Defendants.


**DEFENDANTS' AND COUNTERCLAIMANTS' DISCLOSURE PURSUANT
TO FEDERAL RULE OF CIVIL PROCEDURE 7.1**

Pursuant to Rule 7.1 of the Federal Rules of Civil Procedure and to enable judges and magistrates of the Court to evaluate possible disqualification or recusal, Defendants and Counterclaimants hereby state that both XL Capital Assurance Inc. and XLCA Admin LLC are

wholly-owned subsidiaries of Security Capital Assurance Ltd (“SCA”), a publicly held corporation.

DATED: New York, New York
March 31, 2008

QUINN EMANUEL URQUHART OLIVER &
HEDGES, LLP

By: 
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CERTIFICATE OF SERVICE

I, Jonathan Pickhardt, hereby certify that on March 31, 2008 the attached document was electronically filed with the Clerk of the Court using CM/ECF which will send notification to the registered attorney(s) of record that the document has been filed and is available for viewing and downloading .

I further certify that on March 31, 2008, the attached document was electronically mailed to the following person(s):

Jay B. Kasner, Esq.
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/s/ Jonathan Pickhardt
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